

**From:** Michael DiDomenico  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] Public Comment on RIN 3064-AF86 ANPR Resolution-Related Resource Requirements for Large Banking Organizations  
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I disagree with the proposal entitled “Resolution-Related Resource Requirements for Large Banking Organizations” Docket No. R-1786 and RIN 7100-AG44 / 3064-AF86. Banks at risk of bankruptcy should not be required to sell long term debt (e.g., bonds) for the purpose of absorbing losses. (See, e.g., “the agencies are considering the advantages and disadvantages of requiring large banking organizations ... to maintain long-term debt capable of absorbing losses in resolution.”)

This is a malicious self-serving attempt to shift predictable (“ex ante”) costs to resolve the bankruptcy of a large banking organization from the FDIC’s Depository Insurance Fund to unsuspecting investors.

Financial institutions are attempting to pawn knowingly bad bonds onto investors before declaring a bail-in which nullifies the bonds. It's debt issuance with the intent to default - and in any other scenario this would be an open-shut case for fraud.

Marketing a failed institution erodes trust in the financial system. Trust that has already been greatly eroded by the handling of the 2008 global financial crisis where Too Big To Fail banks were bailed out by taxpayers with few, if any, consequences.

Failure must always be an option for banks and other financial organizations. With the context of “Banks with Something to Lose: The Disciplinary Role of Franchise Value” (<https://www.newyorkfed.org/medialibrary/media/research/epr/96v02n2/9610dems.pdf>) (1996), insolvency and loss of franchise value no longer counterbalance against risk when institutions are not allowed to fail. When failure is not an option, there is no downside to excessive risk taking as they have nothing to lose and all to gain. Eliminating failure as an option naturally promotes excessive risk taking that increases risks to financial stability. No financial institution should be Too Big To Fail. Failure must always be an option.